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July 12, 2006

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When calling relative to this
matter refer to No. 1367.

Honorable James H. Welsh
Commissioner of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: **Hosston Formation, Reservoir D**
Cotton Valley Formation, Reservoir A
Longwood Field
Caddo Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

Sulphur River Exploration, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Formation, Reservoir D, and the Cotton Valley Formation, Reservoir A, in the Longwood Field, Caddo Parish, Louisiana:

1. To establish a single drilling and production unit for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir D, in the Longwood Field, Caddo Parish, Louisiana, to be designated HOSS RD SUA as shown outlined on the plat attached hereto and made a part hereof;
2. To establish one additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, in the Longwood Field, Caddo Parish, Louisiana, to be designated CV RA SUII as shown outlined on the plat attached hereto and made a part hereof;
3. To define the Hosston Formation, Reservoir D, in the Longwood Field, as that gas and condensate bearing zone encountered between the depths of 5873 feet and 8212 feet (electric log measurements) in the Sulphur River Exploration, Inc. - Anthony FPC 6 No. 1 Well located in the Northwest Quarter of Section 6, Township 18 North, Range 15 West, Caddo Parish, Louisiana.

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4. To redefine the Cotton Valley Formation, Reservoir A, in the Longwood Field, INsofar AND ONLY INsofar AS proposed CV RA SUII is concerned, as that gas and condensate bearing zone encountered between the depths of 8212 feet and 9640 feet (electric log measurements) in the Sulphur River Exploration, Inc. - Anthony FPC 6 No. 1 Well located in the Northwest Quarter of Section 6, Township 18 North, Range 15 West, Caddo Parish, Louisiana.
5. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests located within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation;
6. To authorize the down hole or well bore combination of hydrocarbons produced from the Hosston Formation, Reservoir D, and the Cotton Valley Formation, Reservoir A, in the Longwood. Field, insofar as proposed HOSS RD SUA and CV RA SUII are concerned provided the ownership within said units and zones are the same;
7. To establish field rules for the Hosston Formation, Reservoir D, in the Longwood Field;
8. To extend the field rules established by Office of Conservation Order No. 123-A-2 to the additional unit for the Cotton Valley Formation, Reservoir A, in the Longwood Field, except to the extent inconsistent herewith;
9. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Hosston Formation, Reservoir D, in the Longwood. Field, Caddo Parish, Louisiana, is to be defined as that gas and condensate bearing zone encountered between the depths of 5873 feet and 8212 feet (electric log measurements) in the Sulphur River Exploration, Inc. - Anthony FPC 6 No. 1 Well located in the Northwest Quarter of Section 6, Township 18 North, Range 15 West, Caddo Parish, Louisiana.

The Cotton Valley Formation, Reservoir A, in the Longwood. Field, Caddo Parish, Louisiana, was defined in Office of Conservation Order No. 123-A-2, effective September 20, 1978, and is to be redefined INsofar AND ONLY INsofar AS proposed CV RA SUII is concerned as that gas and condensate bearing zone encountered between the depths of 8212 feet and 9640 feet (electric log measurements) in the Sulphur River Exploration, Inc. - Anthony FPC 6 No. 1 Well located in the Northwest Quarter of Section 6, Township 18 North, Range 15 West, Caddo Parish, Louisiana.

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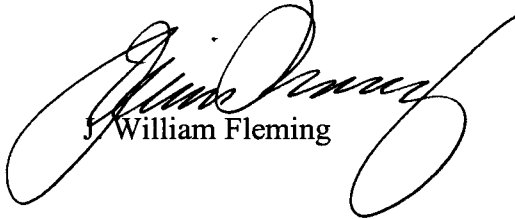
Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Keith McCullough, Sulphur River Exploration, Inc., 5949 Sherry Lane, Suite 755, Dallas, Texas 75225, at telephone number (214) 373-1091.

A Pre-Application Notice letter dated June 30, 2006, in connection with this Application For Public Hearing was sent to the Commissioner of Conservation and to all parties to whom this letter is being sent. In that notice the proposed Cotton Valley Formation, Reservoir A, unit which applicant seeks to create was mistakenly identified as CV RA SUJJ. The plat attached to the Pre-Application Notice correctly identified the proposed unit as CV RA SUII. That error has been corrected in this application.

The list which is attached to the copy of this letter being mailed to the Office of Conservation includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this application, with plat attached, is being sent to each party on the list. Pursuant to Office of Conservation regulations, the list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed is the application payable the Office of Conservation.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY



William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties
Mr. Gary Garrison
Mr. Keith McCullough

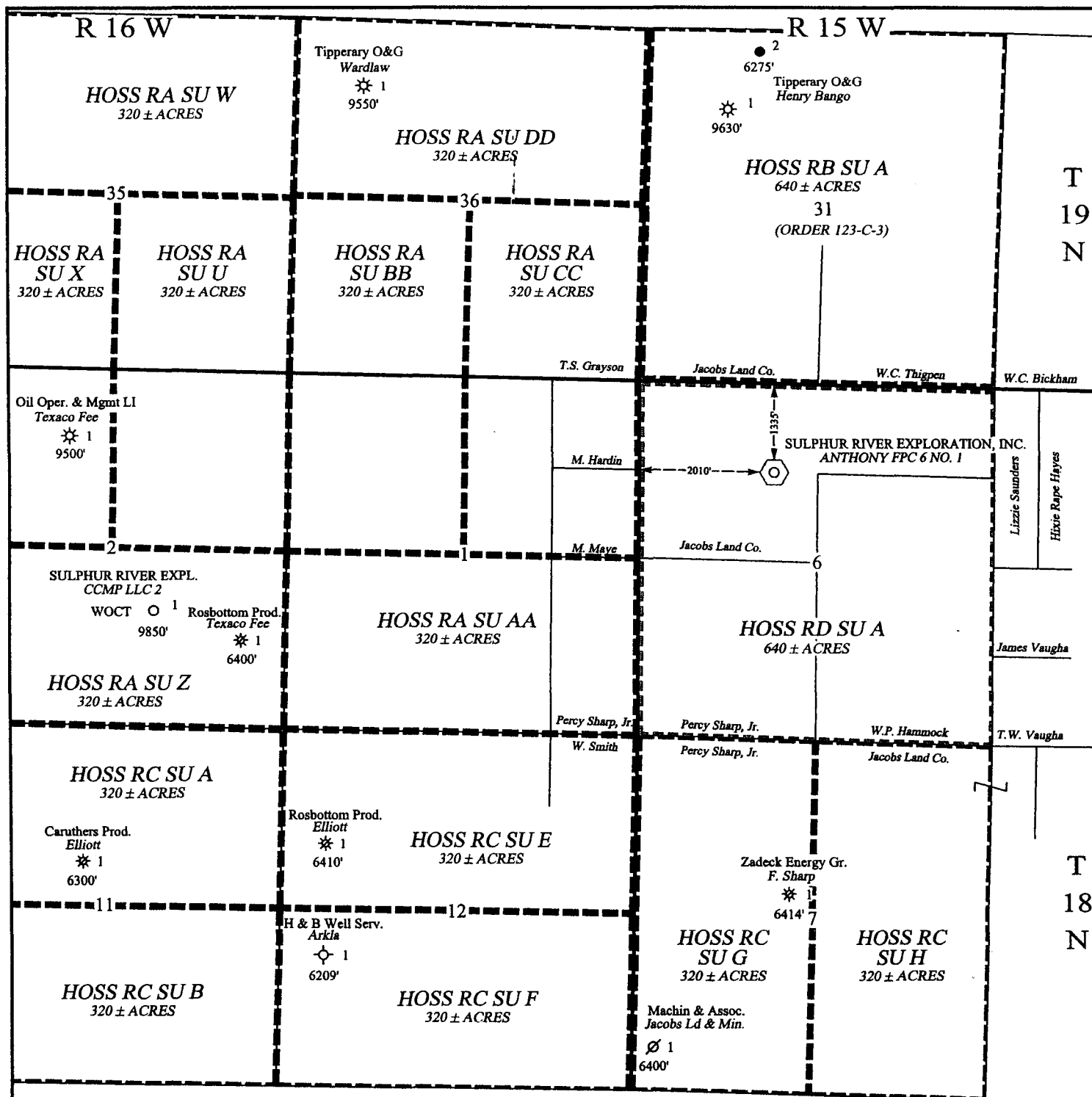


EXHIBIT NO. 1

DOCKET NO. _____

SULPHUR RIVER EXPLORATION, INC. DALLAS, TEXAS

LONGWOOD FIELD CADDOPARISH, LOUISIANA PROPOSED UNIT WELL FOR PROPOSED HOSSTON RESERVOIR D SAND UNIT A



:PROPOSED UNIT WELL

:EXISTING ALTERNATE UNIT WELLS

:EXISTING UNIT WELLS

:EXISTING HOSSTON SAND UNITS

:PROPOSED LONGWOOD HOSS RD SU A



NOTE: SHALLOW WELLS NOT SHOWN.

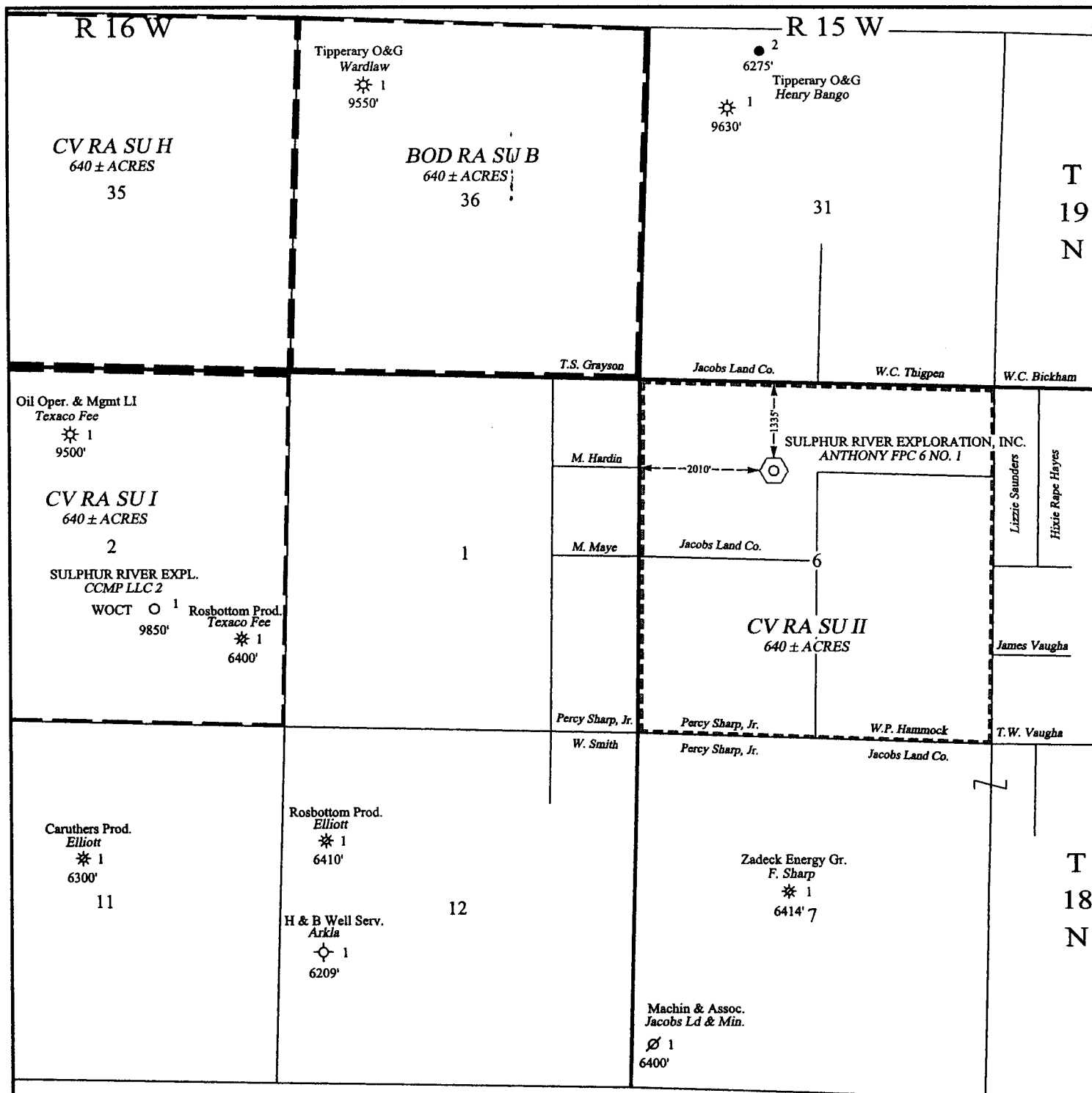


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DOCKET NO. _____

SULPHUR RIVER EXPLORATION, INC.

DALLAS, TEXAS

LONGWOOD FIELD

CADDO PARISH, LOUISIANA

PROPOSED UNIT WELL FOR PROPOSED COTTON VALLEY RESERVOIR A SAND UNIT II



:PROPOSED UNIT WELL

:EXISTING ALTERNATE UNIT WELLS

:EXISTING UNIT WELLS

:EXISTING CV RA & BODCAW RA SAND UNITS

:PROPOSED LONGWOOD CV RA SU II



NOTE: SHALLOW WELLS NOT SHOWN.